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S E C R E T SECTION 01 OF 03 DHAKA 001057

SENSITIVE
SIPDIS

FOR GENERAL CHANDLER, FROM THE AMBASSADOR

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TAGS: [PGOV](#) [KREL](#) [BG](#)

SUBJECT: SCENESETTER FOR COMMANDER OF PACIFIC AIR FORCE
GENERAL CHANDLER

Classified By: Ambassador James F. Moriarty. Reasons 1.4 (b) and (d)

SUMMARY

1. (SBU) Your visit to Bangladesh comes in the twilight of the Caretaker Government's (CTG) two-year term, amid preparations for national Parliamentary elections in December. The return to democracy remains fraught with uncertainties. Although both major parties, the Awami League and the Bangladesh Nationalist Party (BNP), have said they want to participate in elections not all of their stated preconditions have been met. Also unclear is how many if any of the Caretaker Government's reforms to rid government of endemic corruption and violence will survive under a newly elected government. As the balance of power swings from the Government back toward the leaders of the two major parties, former prime ministers Sheikh Hasina of the Awami League and Khaleda Zia of the BNP, the ladies have yet to clearly signal their attitude toward elections and reforms. The result is persistent concern the elections could herald a return to the status quo ante and the violent "winner take all" political culture of Bangladesh.

2. (SBU) USG activities in Bangladesh are based on three pillars: democratization, development and denial of space to terrorists. We strongly support the Caretaker Government's efforts to ensure free, fair and credible elections. We also call upon the political parties to play a responsible role before, during and after elections to prevent a return to dysfunctional democracy. The U.S. funds a comprehensive development program that includes aid for food, health, education, economic growth and governance. Thanks to funds provided by Congress in the FY08 supplemental and FY09 bridge, the USG is playing a substantial role in helping victims of last year's cyclone in southern Bangladesh rebuild their lives. We also cooperate closely with authorities here to combat terrorism and prevent Bangladesh from becoming a haven for terrorists.

DEMOCRACY

3. (U) The Caretaker Government (CTG) came to power in January 2007, the day after a State of Emergency was declared to quell political violence that was spinning out of control in the run-up to Parliamentary elections. The CTG, made up of

11 non-political advisers and strongly supported by the military, canceled the elections and began cracking down on endemic political corruption and violence. The crackdown initially won broad public support, but frustration with the Caretaker Government spilled onto the streets in late August 2007; at that point a dispute at Dhaka University between students and soldiers became a rallying point for thousands of Bangladeshis disaffected by inflation, other economic woes and restrictions on political activity. The Government stopped the protests by imposing a curfew.

¶4. (U) In September 2008, the Caretaker Government set December 18 as the date for the delayed Parliamentary elections and said upazilla (county-level) elections would be held later that month. The mechanics of holding elections are largely on track. Compiling a new, credible voter list was the marquee project undertaken by a reconstituted Election Commission. The list was put to the test in city and municipal elections on August 4. According to the Election Commission, turnout for the city polls ranged from 75 percent to 93 percent. The Awami League stormed to victory, winning all four major mayoral slots up for grabs. Election observers reported some generally minor problems during the vote and none of the violence that marred past polls. The BNP boycotted the elections, claiming no vote should be held under a State of Emergency, a position it still maintains in the run-up to the Parliamentary elections.

¶5. (SBU) The continuing negotiations over the return to democracy involve three key players: the Caretaker Government, the military and the two main parties, which are

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again under the direct leadership of Hasina and Zia. (Note: Both were jailed on a multitude of corruption charges in ¶2007. Zia was released on bail in September while Hasina has been out of the country on medical parole since June. Hasina is now seeking bail, which the Awami League says is a precondition for participating in elections. End note.) The Caretaker Government's Advisers, who act as temporary ministers, are technocrats; they want to negotiate a smooth election and a successful return to a less corrupt, more efficient democracy. What has become clear in recent weeks is that the two ladies emerged from jail with personal control over their respective parties as strong as ever. Although some senior leaders in both parties have voiced support for reform, neither Sheikh Hasina nor Khaleda Zia has clearly indicated a desire for a decisive break from the status quo ante and its minimal checks on the power of the Parliament and Prime Minister. The advisers hope a summit between the two ladies might prod them to agree to a number of reforms, but prospects for such a meeting remain uncertain.

DEVELOPMENT

¶6. (U) In the midst of this political uncertainty, Bangladeshis are coping with the aftermath of natural disasters and spiraling inflation. Cyclone Sidr blasted through southwestern Bangladesh in November 2007, leaving thousands of people dead and destroying the homes and livelihoods of millions. As part of an inter-agency effort, the U.S. military played a crucial role in relief efforts by airlifting vitally needed water, food and emergency supplies to Bangladeshis in remote areas. However, the Government of Bangladesh and other international donors have not sustained the strong levels of assistance provided in Sidr's immediate aftermath, and millions of victims remain in need of aid to rebuild their lives. The additional \$75 million for cyclone victims recently approved by the U.S. Congress has thus come at a most opportune time.

¶7. (SBU) On top of natural disasters, inflation -- particularly of food prices -- remains dangerously high for

Bangladesh's desperately poor population, 84 percent of whom subsist on less than \$2 a day. In response to rising food and fuel prices, the Caretaker Government in early July offered a populist budget aimed at softening the impact of those increases. Overall GDP growth, led by surging exports of ready made garments, remains strong; the economy grew 6.2 percent in the year ended July 1. While some economists argue the biggest problem facing the economy is double-digit inflation, others maintain Bangladesh needs to improve its energy and transportation infrastructure and grow its way out of difficulty by expanding exports. Despite differing views, however, all agree a return to political chaos in the coming months would deal the economy a crushing blow.

DENIAL OF SPACE TO TERRORISTS

¶8. (SBU) Bangladesh is a Muslim-majority nation with porous borders -- both land and maritime -- that make it an attractive transit point and safe-haven for terrorists. The USG funds many programs in Bangladesh to counter terrorism, including a wide range of training under the Anti-Terrorist Assistance program coordinated by the State Department. USAID and Public Affairs Section programs also address root causes of extremism through outreach to leaders of influence, including religious figures, and to madrasas. Human rights concerns have prevented in the past the USG from providing training to the paramilitary Rapid Action Battalion (RAB), which is the lead counterterrorism force in Bangladesh. RAB's record generally has improved under the Caretaker Government, and the USG recently offered to begin human rights training upon receipt of additional information on allegations of past RAB abuses.

¶9. (S/NF) Bangladesh arrested several hundred alleged members of Jamaatul Mujahedin Bangladesh (JMB), the banned

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Islamic extremist group responsible for a wave of bombings and suicide attacks in late 2005, and recovered bomb-making materials and weapons from their hideouts. Those arrests, along with the execution in March 2007 of six senior JMB leaders, represented a clear blow to the organization. More recently, however, JMB reportedly has increased recruitment efforts. Moreover, the GOB has taken relatively little action against Bangladeshi groups with ties to transnational, Pakistan-based terrorist organizations. Concerns of possible violence by extremist organizations in the run-up to elections remain.

YOUR VISIT

¶10. (SBU) Your visit to Bangladesh will highlight the importance the USG places on bilateral relations as well as on the Bangladesh military remaining a professional force that serves as a role model for Bangladeshi society. It will underscore USG support for free, fair and credible elections in December, and for continuing political dialogue to ensure Bangladesh does not revert to chronically corrupt and violent politics. Your meetings with senior Bangladeshi military and civilian officials will provide opportunities to stress the importance of a restoration of democracy and of bilateral cooperation in combating terrorism.
Moriarty